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Economic and Social Council

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Provisional summary record of the 54th meeting
Held at Headquarters, New York, on Thursday, 11 November 2004, at 3.30 p.m.

President: Ms. Rasi ..... (Finland)

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The meeting was called to order at 3.50 p.m.

Coordination, programme and other questions (*continued*)

(d) Long-term programme of support for Haiti (*continued*) (E/2004/L.58/Rev.1)

1. **The President** drew the Council's attention to revised draft decision E/2004/L.58/Rev.1, entitled "Ad Hoc Advisory Group on Haiti", which she had submitted on the basis of informal consultations. If she heard no objections, she would take it that the Council wished to adopt the draft decision.

2. *It was so decided.*

3. **Mr. Mérores** (Observer for Haiti) thanked the President for the importance she personally had attached to the draft decision the Council had just adopted. He also wished to thank the members of the Bureau, the Facilitators, the Group of 77 and China, the least developed countries and others for their spirit of flexibility and compromise. The long political crisis that had rocked his country and brought on a slowdown in external assistance and the freezing of international loans and foreign investment had seriously weakened what little economic infrastructure already existed. He stressed the importance of cooperation with the international community, including assistance within the framework of the United Nations Stabilization Mission in Haiti (MINUSTAH) and short- to medium-term activities carried out jointly by his country's Transitional Government and its international partners with the support of the Security Council core group. As clearly indicated by the Interim Cooperation Framework discussed with Haiti's partners in Washington, D.C., in July, the Transitional Government was working to create a climate of security that would attract investment, foster economic and social recovery and lay the groundwork for holding free and honest elections in 2005.

4. He welcomed the two-pronged approach to tackling his country's problems, made possible by the reactivation of the Ad Hoc Advisory Group on Haiti, with Security Council participation in the short and medium terms and the involvement of the Economic and Social Council over the longer term. The Government and people of Haiti hoped that the decision just adopted would be implemented without delay.

Regional cooperation (*continued*) (E/2004/L.59)

5. **The President** drew attention to draft decision E/2004/L.59, entitled "Regional cooperation". If she heard no objections, she would take it that the Council wished to adopt the draft decision.

6. *It was so decided.*

Economic and environmental questions (*continued*)

(h) International cooperation in tax matters (E/2004/L.60 and E/2004/L.61)

7. **The President** drew Council members' attention to draft resolution E/2004/L.60, entitled "Committee of Experts on International Cooperation in Tax Matters", which she had submitted on the basis of informal consultations.

8. **Mr. Seth** (Secretary of the Council) said that, in document E/2004/L.61 on the programme budget implications of draft resolution E/2004/L.60, the phrase "with regard to a small technical staff" should be inserted after "and" in the final sentence of paragraph 5. That sentence would then read: "It is the intention of the Secretariat to continue the arrangements in place with regard to a small technical staff and, if need be ... ".

9. Secondly, as the Facilitator, Mr. Mbayu (Cameroon), had indicated in informal consultations, "of" should be replaced by "to" in the penultimate sentence of paragraph (b) of draft resolution E/2004/L.60.

10. *Draft resolution E/2004/L.60 was adopted.*

11. **Mr. Mbayu** (Observer for Cameroon) hailed the consensus on the draft resolution as an historic achievement after five months of negotiations on a very thorny issue. He thanked the President and Secretariat for their support and praised Committee members for their hard work and spirit of compromise.

12. **Mr. Ito** (Japan), speaking in explanation of his delegation's position, said that the resolution just adopted focused only on upgrading the Ad Hoc Group of Experts on International Cooperation in Tax Matters but failed to respond clearly to the call for mutual coordination with concerned multilateral bodies, such as the Committee on Fiscal Affairs of the Organization for Economic Cooperation and Development (OECD).

13. Although his delegation appreciated the last-ditch effort made by the Facilitator to keep costs within the limits of existing resources, Japan would pay close attention to the necessity and appropriateness of the expenses incurred by the reform of the Ad Hoc Group of Experts.

14. **Ms. Tamlyn** (United States of America), speaking in explanation of position on the draft resolution just adopted, welcomed the attribution of committee status to the extremely productive Ad Hoc Group of Experts on International Cooperation in Tax Matters. The resolution was consistent with the mandate established at the International Conference on Financing for Development to strengthen international cooperation through enhanced dialogue among national tax authorities. As indicated in previous Council resolutions concerning the mandate of the Ad Hoc Group of Experts and confirmed in the draft resolution just adopted, international cooperation fully safeguarded the respective revenue interests of developed and developing countries. Furthermore, nothing in the resolution or in the mandate of the newly formed Committee limited the ability of the United States or any other Member State to take sovereign decisions about its own tax system.

15. **Mr. Nuñez** (Belize), speaking on behalf of the Caribbean Community (CARICOM), **Mr. Al-Bader** (Qatar), speaking on behalf of the Group of 77 and China, **Mr. Davidse** (Observer for the Netherlands), speaking on behalf of the European Union, and **Mr. Hart** (Observer for Barbados) welcomed the adoption of the draft resolution by consensus and thanked Committee members, in particular, the Facilitator, Mr. Mbayu, for their dedication and hard work, culminating in a compromise on a difficult and vital issue.

Adoption of the agenda and other organizational matters (*continued*) (E/2004/15/Add.2 and E/2004/44)

16. **The President** said that consideration of draft resolution III, entitled "Implementation of resolutions concerning the participation of associate member countries of the Economic Commission for Latin America and the Caribbean in the follow-up to United Nations world conferences and in the work of the Economic and Social Council" (E/2004/15/Add.2) and the recommendations contained in the report of the Committee of Experts on Public Administration on its third session (E/2004/44) would be deferred to the Council's organizational session in January 2005.

The meeting rose at 4.20 p.m.